



**BYLAWS
OF
ROTARY INTERNATIONAL DISTRICT 6450, INC.**

PREAMBLE

The Rotary clubs within District 6450 of Rotary International have adopted these Bylaws. Rotary International District 6450, Inc. is formed as a corporation in order to continue the legal existence of the unincorporated non-profit association of Rotary clubs in metropolitan Chicago that was known as "District 6450, Rotary International."

**ARTICLE ONE
NAME AND OBJECTIVES**

1.01 Name. The name of this corporation shall be Rotary International District 6450, Inc. It is referred to at times in these Bylaws simply as "Rotary District 6450," "District 6450," the "District," and the "Corporation."

1.02 Objectives.

1.02.01 To provide structure for Rotary clubs within the District as assigned by Rotary International (herein "RI"); to provide support to these Rotary clubs in their shared pursuit of programs and activities that promote the Object of Rotary; and to encourage, promote, extend, and supervise Rotary International initiatives throughout the territory assigned to it by RI.

1.02.02 To conduct District Conferences and training programs in support of Member Club needs.

1.02.03 The District recognizes the value of diversity within individual clubs. Rotary encourages clubs to assess those in their communities who are eligible for membership, under existing membership guidelines, and to endeavor to include the appropriate range of individuals in their clubs. A club that reflects its community with regard to professional and business classification, gender, age, religion, and ethnicity is a club with the key to its future. Likewise, the District embraces this diversity when organizing and conducting its affairs.

1.02.04 To conduct and/or give support to collaborative projects and activities that are consistent with its non-profit purposes and the Object of Rotary, as defined by RI.

1.02.05 To hold, manage, sell, and lease personal and real property and to invest and re-invest corporate funds in any type of property or security which the Board of Directors may deem advisable whether or not such investments are of the type or character authorized by the Laws of the State of Illinois for the investment of trust funds, and to enter into such contracts and execute such conveyances, instruments, and releases as may be necessary and proper to carry out the objects and purposes of the Corporation.

1.02.06 To engage in any other permitted activities for corporations exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code (or as may be subsequently amended).

1.02.07 To continue without break the legal identity of an unincorporated non-profit association of Rotary clubs in eastern Illinois that was a District of RI and was known as "District 6450, Rotary International."

1.03 Tax-Exempt Status. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law.)

ARTICLE TWO
MEMBERS, DUES, AND ANNUAL MEETING OF THE MEMBERSHIP

2.01 Members. The Members of the Corporation (herein "Members or Member Clubs or Club Members") shall be comprised of and limited to all Rotary clubs designated to be in Rotary District 6450 pursuant to the Bylaws of RI. The addition or removal of a club or clubs from District 6450 pursuant to RI Bylaws shall immediately and automatically result in a corresponding change in the membership (for clarity, members of a club or membership of a club shall be referenced in lower case).

2.02 Dues. Each Member Club shall pay semi-annual per capita dues to the District at the rate established at the Annual Meeting immediately before the year in which the dues are payable. The membership on which the per capita dues are based shall be the local Member Club membership number on July 1, and for the second billing the membership number as of January 1, that is sent to RI as the official membership of the club. Dues shall be due and payable 15 days after the billing statement is mailed to the Member Club.

2.03 Annual Meeting. The Annual Meeting of the District is the formal annual business meeting of the District. It shall be normally held during the District Conference. The Board shall establish the time or place for the Annual Meeting. It shall send to the Members written or electronic notice of the time and place of the Annual Meeting at least 30 days, but not more than 60 days, before the date of the meeting. All resolutions to be submitted to the Annual Meeting shall be originated by a Member Club, the District Governor, the District Governor-Elect, the District Governor-Nominee or the Board. All resolutions shall be reviewed by the Board for recommendation to the Annual Meeting.

2.04 Voting at Annual Meeting.

2.04.01 Delegates. Each Member Club shall select, certify, and send to the Annual Meeting at least one delegate. Any Member Club with a membership of more than 25 shall be entitled to one additional delegate for each additional 25, or major fraction thereof, of its members. Such membership shall be determined by the number of members in the club as of the date of the most recent semi-annual payment which proceeds the date on which the vote is to be held. However, any Member Club whose membership in RI has been suspended by the board of RI shall not be entitled to any delegates. Each delegate must be a member of the club. A delegate must be present at the Annual Meeting to vote.

2.04.02 Voting Procedures at Annual Meeting.

(a) Delegates Only. The following issues shall be voted on only by delegates: (1) the election of the District Governor-Nominee; (2) the election of a member of the nominating committee for RI Director-nominee; (3) the composition and terms of reference of the nominating committee for District Governor-Nominee; (4) the election of the District's Representative and Alternate Representative to the Council on Legislation; and (5) the decision as to the amount of the District dues, if presented. For the election of the District Governor-Nominee, all votes from a Member Club with more than one vote shall be cast for the same candidate.

(b) Members in Good Standing. Every member of a club who is present and in good standing, whether or not a delegate, shall be entitled to vote on all other matters submitted to a vote at such Annual Meeting. However, any delegate shall have the right to demand a poll upon any matter presented to the Annual Meeting. In such cases, voting shall be restricted to delegates.

2.04.03 Quorum. With respect to votes by delegates at the Annual Meeting, when held at a District Conference, a quorum shall exist if one-fifth of the delegates in attendance at the District Conference are present at the Annual Meeting. If the annual meeting is held at a time other than the District Conference, one-third of the Member Clubs must be represented for a quorum.

2.05 Special Meetings. The Board may call a special meeting of the Member Clubs. The Board shall send written or electronic notice of the time and place of any special meeting at least 10 days before the date of such special meeting.

2.06 Business of the Annual Meeting. Subject to the restrictions set forth in Section 2.04, the business that may be conducted at the Annual Meeting shall include:

- 2.06.01 Election of the District Governor-Nominee, the District's Representative and Alternate Representative to the Council on Legislation, and the District's member to the Nominating Committee that selects a Director-nominee of RI;
- 2.06.02 Consideration of any amendments to the Articles of Incorporation or Bylaws that are properly submitted;
- 2.06.03 Consideration of all resolutions that have been properly submitted; and
- 2.06.04 Other business as shall properly come before the Annual Meeting.

ARTICLE THREE
BOARD OF DIRECTORS

3.01 Number and Qualifications. A Board consisting of seven to eleven Directors shall oversee the business and affairs of the District. Only active member Rotarians, as defined by RI, who are members in good standing of clubs in the District are eligible to serve as Directors.

3.02 Composition. The Board shall be composed of the District Governor, the District Governor-Elect, the District Governor-Nominee, the Treasurer of the District, the Secretary of the District and the most immediate and available Past District Governor of District 6450 who are active members of a Rotary club within the District. The District Governor-Designate may serve as a Director, appointed by the board, once selected by the nominating committee. The District Governor shall serve as the Chairperson. All other Director positions will be at large.

Subject to Section 3.03, a Director shall serve for so long as he or she occupies one of the positions within District 6450 listed in this Section 3.02. In the event a Director no longer occupies one of the positions listed in this Section 3.02, the Director is automatically removed as Director, without ratification of the Board. At large members of the board shall serve for terms of two years and no more than two consecutive terms. At large member terms shall be staggered in even and odd years.

3.03 Appointment of Successor Past District Governor. In the event of the death, removal, or resignation of the most immediate Past District Governor serving on the Board, or in the event any such Past District Governor is no longer an active member of a Rotary club of District 6450, the District Governor may appoint any Past District Governor of District 6450 to fill the former Director's unexpired term.

3.04 Election to and Removal from the Board. The Board will annually post among members of the District vacancies that exist on the Board, giving sufficient notice so as to enable interested parties to be considered for election. The Board will designate a nominating committee of three to five members to propose new Directors at large for Board approval. The nominating committee may include non-Directors. The Board may only accept or reject Directors presented for election. The Board may, by a majority vote of the Directors, vote to remove any Director for cause.

3.05 Board Meetings.

3.05.01 Time; Place. Meetings of the Board of Directors may be held from time to time as provided in this Section. The Board meetings shall be held at the locations determined from time to time by the Board. The Board may determine under Section 3.05.02 that a meeting of the Board shall be held solely by means of remote communication.

3.05.02 Meetings Solely by Means of Remote Communication. Any meeting among Directors may be conducted solely by one or more means of remote communication through which all of the Directors may participate with each other during the meeting, if the same notice is given of the meeting as would be required by Section 3.05.04, and if the number of Directors participating in the meeting is sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence at the meeting.

3.05.03 Participation in Meetings by Means of Remote Communication. A Director may participate in a Board meeting by means of conference telephone or, if authorized by the Board, by such other means of remote communication, in each case through which the Director, other Directors so participating, and all Directors physically present at the meeting may participate with each other during the meeting. Participation in a meeting by this means constitutes presence at the meeting.

3.05.04 Calling Meetings; Notice. The District Governor or any three Directors may call a Board meeting by giving at least fifteen (15) days notice to all Directors of the date, time and place of the meeting. The notice need not state the purpose of the meeting. Any notice given to a Director by a form of electronic communication

consented to by the Director to whom the notice is given, is effective when given. The notice is deemed given (i) if by facsimile communication, when directed to a telephone number at which the Director has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the Director has consented to receive notice; or (iii) if by any other form of electronic communication by which the Director has consented to receive notice, when directed to the Director. Consent by a Director to notice given by electronic communication may be given in writing or by authenticated electronic communication. Any consent so given may be relied upon until revoked by the Director, provided that no revocation affects the validity of any notice given before receipt of revocation of the consent.

3.05.05 Previously Scheduled Meetings. If the day or date, time, and place of a Board meeting was announced at a previous meeting of the Board, no notice is required. Notice of an adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

3.05.06 Waiver of Notice. A Director may waive notice of a meeting of the Board. A waiver of notice by a Director entitled to notice is effective whether given before, at, or after the meeting and whether given in writing, orally, by authenticated electronic communication, or by attendance. Attendance by a Director at a meeting is a waiver of notice of that meeting, except where the Director objects at the beginning of the meeting to the transaction of business

3.05.07 Quorum. A majority of the Directors currently holding office present at a meeting is a quorum for the transaction of business. In the absence of a quorum, a majority of the Directors present may adjourn a meeting from time to time until a quorum is present. If a quorum is present when a duly called or held meeting is convened, the Directors present may continue to transact business until adjournment, even though the withdrawal of a number of Directors originally present leaves less than the proportion or number otherwise required for a quorum.

3.05.08 Voting. At all meetings of the Board, each Director shall have one (1) vote.

3.06 Act of the Board. The Board of Directors shall take action by the affirmative vote of (i) a majority of the Directors present at a duly held meeting at the time the action is taken, or (ii) a majority of the minimum proportion or number of Directors that would constitute a quorum for the transaction of business at the meeting, unless otherwise required by these Bylaws, Illinois Statutes Chapter 302A, or by the Articles of Incorporation.

3.07 Action Without a Meeting. An action required or permitted to be taken at a Board of Directors meeting may be taken by written action signed, or consented to by authenticated electronic communication, by all of the Directors. If the action need not be approved by the District Conference and the Articles of Incorporation so provide, the action may be taken by written action signed, or consented to by authenticated electronic communication, by the number of Directors that would be required to take the same action at a meeting of the Board at which all Directors were present.

The written action is effective when signed, or consented to by authenticated electronic communication, by the required number of Directors, unless a different effective time is provided in the written action.

When written action is permitted to be taken by less than all Directors, all Directors shall be notified immediately of its text and effective date. However, failure to provide the notice does not invalidate the written action. A Director who does not sign or consent to the written action has no liability for the action or actions taken thereby.

3.08 Compensation. Directors shall not be compensated for their duties as Directors, except that the Directors may be reimbursed for their reasonable and substantiated expenses incurred on behalf of the District.

ARTICLE FOUR **OFFICERS**

Only Active member Rotarians who are members of clubs in District 6450 shall be eligible to serve as officers, except the Chief Administrative Officer. The officers of the District shall consist of the District Governor, the District Governor-Elect, the District Governor-Nominee, the District Governor-Designate (if selected), the District Treasurer, the District Secretary, the District Chief Administrative Officer, and such other officers as the District Governor may appoint.

4.01 District Governor. The District Governor shall serve as the President and Chief Executive Officer of the District. The District Governor shall perform the customary duties of a president and a chief executive officer of a

corporation and those assigned by the Bylaws and policies of RI, by these Bylaws, and the District Policies and Procedures Manual. The District Governor shall serve as an *ex-officio* member of all District Committees *except* the Nominating Committee for the District Governor-Designate where they serve as a non-voting *ex-officio* member. The District Governor shall be elected for a one-year term in the manner set forth by the Bylaws and policies of RI, by these Bylaws, and the District Policies and Procedures Manual. The District budget shall include an allowance for the out of pocket third party expenses of the District Governor. The Board may, by majority vote, but only for cause, request the President of RI to remove a District Governor pursuant to the Bylaws and policies of RI. The District Governor shall provide a report annually to the Member Clubs and members on the state of the District.

4.02 District Governor-Elect and District Governor-Nominee. The District Governor-Elect shall serve as the First Vice President and board vice-chairman. The District Governor-Elect shall assume this office in the manner set forth by the Bylaws and policies of RI, these Bylaws, and the District Policies and Procedures Manual. Under normal procedures, the District Governor-Elect shall assume the office of District Governor in the year immediately after serving as District Governor-Elect. The District Governor-Elect shall serve as an *ex-officio* member of all District Committees *except* the Nominating Committee for the District Governor-Designate. The District Governor may assign other responsibilities to the District Governor-Elect, which are in addition to those proscribed by the Bylaws and policies of RI, these Bylaws, and the District Policies and Procedures Manual. Under normal procedures, the District Governor-Nominee shall assume the office of District Governor-Elect in the year immediately after serving as District Governor-Nominee. If the District Governor-Elect is unable to fulfill the duties of District Governor-Elect or to assume the position of District Governor, the District Governor-Nominee may, when possible, upon certification by the District Governor and with notice to all Member Clubs, assume the position of District Governor-Elect. The District Governor-Nominee shall serve as an assistant to the District Governor. The District Governor may assign other responsibilities to the District Governor-Nominee, which are in addition to those proscribed by the Bylaws and policies of RI, these Bylaws, and the District Policies and Procedures Manual.

4.03 District Governor-Designate. The minimum qualifications for serving as a District Governor-Designate include membership in a club in the District for at least three years and one year of service as a club president before becoming District Governor-Elect. It is also recommended, but not required, that the person shall have served as an Assistant Governor or shall have served as the chairperson of a District committee. The District Governor-Designate shall be elected for a term upon election in the manner set forth by the Bylaws and policies of RI, these Bylaws, and the District Policies and Procedures Manual. Under normal procedures, the District Governor-Designate shall assume the office of District Governor-Nominee in the year immediately after serving as District Governor-Nominee designate. The District Governor may assign other responsibilities to the District Governor-Designate, which are in addition to those proscribed by the Bylaws and policies of RI, these Bylaws, and the District Policies and Procedures Manual.

4.04 District Treasurer. The District Governor shall appoint the District Treasurer one or more consecutive one-year terms, but it is recommended that a Rotarian not serve in this office for more than three consecutive terms. If the Treasurer is to be appointed to more than one term, the District Governor-Elect and District Governor-Nominee shall agree. The District Treasurer shall serve as custodian of all District funds. All funds, deposits, bonds, and accounts shall be designated as "Rotary International District 6450" or "Treasurer, Finance Committee - District 6450." The District Treasurer shall be responsible for the billing and collection of Member Club dues, training and conference fees and all other financial accounts receivable and payable. The District Governor may assign additional duties to the District Treasurer.

4.04.01 Bond. The District Treasurer and the Chief Administrative Officer shall be bonded. Should other officers, Directors or board designees be responsible for managing District funds they too shall be bonded. The District Governor shall determine the amount of the bond. The District shall pay the cost of the bond.

4.05 District Secretary. The District Governor shall appoint the District Secretary one or more consecutive one-year terms, but it is recommended that a Rotarian not serve in this office for more than three consecutive terms. If the Secretary is to be appointed to more than one term, the District Governor-Elect and District Governor-Nominee shall agree. The District Secretary shall serve as custodian of District records and reports to Rotary International, ensure that corporate records are kept and filed with respective state and federal authorities and maintain all records of actions taken by the Board of Directors.

4.06 Chief Administrative Officer. The Chief Administrative Officer of the Corporation, shall report to the Board of Directors and District Governor.

4.06.01 The Board may hire or contract a Chief Administrative Officer who shall maintain an electronic and printed copy of District best practices.

4.06.02 The Chief Administrative Officer shall be a non-voting *ex-officio* member of the Board of Directors and any and all Committees of the Board.

4.06.03 The Chief Administrative Officer shall be an *ex-officio* member of the Finance Committee and serve as Assistant Treasurer.

4.06.04 The Chief Administrative Officer shall be responsible for safekeeping of the District records and property, serve as an assistant secretary and shall arrange for the accounting and the transfer of these to the incoming District Governor.

4.06.05 The Chief Administrative Officer shall assist other District officers in areas working with clubs and both District officers and clubs in areas dealing with RI.

4.06.06 The Board of Directors shall negotiate a contract with the Chief Administrative Officer for a term determined to be in the best interests of the District. This contract may include a variety of personnel in addition to the assigned Administrative Officer.

4.07 Removal from Office, Other Than the District Governor. The removal of any officer, other than the District Governor, may be made, if for cause, with a two thirds vote of the Directors. Furthermore, if the Administrative Director is then employed pursuant to a contract, then such removal shall be subject to the terms of such contract.

ARTICLE FIVE **REPRESENTATIVE TO THE COUNCIL ON LEGISLATION**

5.01 Composition. Only Past District Governors shall be eligible to serve as a representative or as an alternate representative. It is recommended that the alternate serve as the representative for the next Council on Legislation and that the past representative train and mentor the alternate representative.

5.02 Responsibilities. The elected person shall serve as the District's representative to the Council on Legislation. The representative shall:

5.02.01 Prepare a summary of the District's proposals to be considered by the Council on Legislation; and

5.02.02 Secure from the Member Clubs opinions on these proposals.

5.03 Nominations. Any Member Club that has eligible candidates may submit nominations. Nominations shall be sent to the Chairperson of the Nominating Committee at least 45 days before the Annual Meeting. Nominations shall be certified by the Chairperson of the Nominating Committee or the President of the club making the nomination and shall state the willingness and ability of the nominee to serve in this capacity. Procedures are further defined in the Bylaws and policies of RI.

5.04 Election. Two years before the year in which the RI Council on Legislation meets, the District shall elect at its Annual Meeting a representative and one alternate. Election shall be by the duly designated voting delegates and chosen in accordance with the Bylaws and policies of RI.

ARTICLE SIX **DISTRICT COMMITTEES**

6.01 General. District committees are established to support the development and growth of effective Rotary clubs in the District. Standing committees for the District include: Audit, Finance, Nominating and Rotary Foundation Committees. The District committees may be designed to help the Member Clubs set annual goals which address the priorities of Rotary International, its board and legislative council. Other standing and task forces committees may be established as determined to support the Member Clubs and the administration of the District. All committees, their chairs and members are established by the Board of Directors upon ratification of District Governor appointments.

6.01.01 Appointment of Chairpersons. The District Governor-Elect shall select for appointment the chairperson of the District committees and subcommittees *except for* those committees for which these Bylaws specify a different method, for the year of their office of District Governor. The District Governor-Elect is encouraged to make these appointments before the District Conference that precedes his or her term as District Governor. Chairpersons serve for one year terms, whenever possible chairs should be asked to serve for two terms subject to the right of the next District Governor-Elect to choose a different chairperson. Appointment of a vice chairperson is strongly encouraged as this practice promotes continuity.

6.01.02 Committee Members. All committees should be composed of at least three Rotarians who represent a cross section of clubs in the District. The District Governor-Elect or the chairperson of a committee shall appoint the new members to the committee *except for* those committees for which these Bylaws require a different method. Ideally, each member should be asked to serve a three year term with first year "in training," second year as chairperson and third year as mentor to new chairperson and committee members. All committee members are ratified by the Board.

6.01.03 Quorum. A quorum shall consist of more than one-third of the committee members.

6.01.04 Committee Expenses. Reasonable administrative expenses incurred by committees and subcommittees in completing their prescribed duties or assignments are reimbursable from District funds when the expenses are included in the budget and are substantiated.

6.01.05 Special Committees. The District Governor may establish special committees. The District Governor shall appoint its chairperson and members and define the committee's scope, duties, duration, and budget, if any.

6.01.06 Ex-officio Members of Committees. *Ex-officio* members of committees shall have all the rights of committee members, including the right to vote unless specifically stated otherwise. *Ex-officio* committee members shall not count toward any required quorum.

6.02 Audit Committee. The committee shall be composed of a Past District Governor and at least two other members, none of whom may be members of any other District Committee. The committee shall review the books of accounts of the Rotary District Treasurer for the preceding year ending June 30th. The chairperson shall submit the committee's report to the District Governor by September 1 following the close of the Rotary year. The District Governor shall send a copy of the report along with a copy of the year-end financial statement to each club president by the following October 1.

6.03 District Conference Committee. It is recommended that planning for the District Conference begin at least one year in advance of the District Conference. The committee shall develop a comprehensive and balanced program that includes innovative, timely, and educational presentations on subjects of Rotary and local interest, all of which must conform to RI content guidelines.

6.03.01 Purpose. Under the direction of the District Governor, the committee shall plan, promote and implement the necessary arrangements to ensure a successful District Conference with maximum attendance.

6.03.02 Composition.

(a) Preference should be given to those who have experience in the meeting coordination and/or hospitality industry.

(b) Preference should be given to media, public image or marketing skills as a component of their vocation or profession.

6.03.03 Responsibilities. Under the direction of the District Governor:

(a) Select the District Conference venue and coordinate all related logistical arrangements.

(b) Coordinate the finances of the conference to ensure maximum attendance.

(c) Promote conference attendance with particular emphasis on:

- new Rotarians;
- all members of newly-organized clubs; and
- representation from every Member Club.

(d) Promote the District Conference to external audiences, such as the media, community leaders, and beneficiaries of Rotary's programs.

(e) Coordinate, in cooperation with the District Trainer, a District Leadership Seminar to be held in conjunction with the District Conference.

6.04 Finance Committee. The committee shall be composed of the District Governor-Elect, the District Governor-Nominee, the District Treasurer, the Chief Administrative Officer and at least two at large members who

reside in the District from Member Clubs. The Treasurer shall serve as chairperson of the committee. The committee shall:

6.04.01 Prepare a budget of income and expenses of the District for the forthcoming year and submit it to the Board of Directors, who then prepare and submit to the District Assembly or Annual Meeting for review and ratification. Other District Committees should recommend their budget needs to the Treasurer and District Finance Committee prior to February 1 for expenditures during the following Rotary year;

6.04.02 Send a copy of the proposed budget to each club president-elect at least 30 days before the District Assembly and the Annual Meeting; and

6.04.03 Carry out such other duties as the District Governor assigns from time to time.

6.05 Nominating Committee for District Governor.

6.05.01 Composition. The committee shall consist of not less than seven members of which at least two of the members shall be composed from the most recent and available Past District Governors in order of succession, plus five or more members at large representing membership in the District with consideration for representation from small, medium, and large size clubs. The committee make up should also consider representation from rural and urban clubs. No two members can be from the same club and no club may have a representative on the committee if there is a candidate from the same club. Two alternative members shall be designated.

6.05.02 Appointment of Committee. The committee shall be appointed by the Board of Directors upon ratification of Member Clubs at the Annual Meeting.

6.05.03 Responsibilities. The committee shall seek out and propose the best available candidates for the office of District Governor-Nominee and for the office of District Governor-Elect, if necessary. The District Governor-Nominee shall be nominated by the committee before the Annual Meeting in accordance with the Bylaws and policies of RI, these Bylaws, and any resolutions of the District.

6.06 The Rotary Foundation Committee. The District Governor-Elect shall appoint the members of this committee after consulting with the District Rotary Foundation Committee chairperson. To be effective, the District Rotary Foundation committee must have continuity of leadership; therefore, the District Rotary Foundation committee (DRFC) chair shall be appointed for a three-year term. The district governor scheduled for each of the years of the three-year term for the DRFC chair is expected to participate in the selection of the DRFC chair. The committee shall organize and coordinate all District Foundation activities and programs including donations to The Rotary Foundation and the utilization of grants from The Rotary Foundation. The committee generally conducts its business through the use of subcommittees. The chairperson serves on and is responsible for the supervision of all the subcommittees of The Rotary Foundation Committee. The chairperson, in consultation with the District Governor and others, authorizes the use of District Designated Funds (DDF) made available by The Rotary Foundation, (herein sometimes referred to as "TRF"). The Rotary Foundation Committee shall follow the policies and direction of the Board of Directors developing their recommendations appropriately.

ARTICLE SEVEN **INDEMNIFICATION**

7.01 Except as may be insured against through a liability policy maintained by the District or the member or members involved in the matter, to the full extent permitted by the Illinois Nonprofit Corporation Act as amended from time to time, or by other provisions of law, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, wherever and by whomsoever brought (including any such proceeding, by or in the right of the Corporation), whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a member, Director or officer of the Corporation, or he or she is or was serving at the specific request of the Board of Directors of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation for such person's related expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall apply only to the extent such person is not indemnified by such other corporation, partnership, joint venture, trust or other enterprise. The indemnification provided by this Article shall inure to the benefit of the heirs, executors and administrators of

such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this provision of these Bylaws.

ARTICLE EIGHT MISCELLANEOUS

8.01 Conformity with RI Constitution and Bylaws. If any provision in these Bylaws conflicts with the Constitution, Bylaws, or policies of RI, as amended, then the terms of the Constitution, Bylaws, or Policies of RI shall prevail *unless* a different result is required by Illinois or federal law, in which case the provision required by law shall prevail.

8.02 The Articles and Bylaws Supersede Previous Legislation. The Articles of Incorporation, filed on December 1, 2009, the Constitution and these Bylaws, together with such amendments as may be subsequently adopted, shall constitute the entire legislation governing the administration of District 6450 and shall therefore, replace any and all legislation previously enacted by the Member Clubs.

8.03 Roberts' Rules of Order. The edition of *Robert's Rules of Order, Newly Revised* that is then currently sanctioned by the Roberts' Rules Association governs this organization in all parliamentary situations that are not provided for in the law, these Bylaws, or adopted rules.

8.04 Fiscal Year. The fiscal year shall be from July 1 through June 30.

8.05 Principal Office. The principal office of the District shall be the business office address of the District as determined by the Board of Directors.

8.06 Dissolution. This corporation shall cease operations upon the vote of two-thirds of Member Clubs at the District conference, a vote in a ballot-by-mail or if upon directive of the Board of Directors of RI to dissolve the corporation. A final report upon the completion of the dissolution process will be submitted to the General Secretary of RI by the District Governor.

ARTICLE NINE AMENDMENTS

9.01 Amendment Process. These Bylaws may be amended as follows:

9.01.01 At the Annual Meeting. These Bylaws may be amended at the Annual Meeting by a majority vote of those present and voting *provided that* no amendment shall be considered unless it has been submitted in writing to the District Governor at least 60 days before the Annual Meeting, and *provided further* that the District Governor shall have given notice of such proposed amendment to all of Member Clubs at least 30 days before the Annual Meeting of the members.

9.01.02 Vote By Ballot-by-Mail. These Bylaws may be amended by Ballot-by-Mail of the Member Clubs if a majority of the votes are cast in favor of the proposed amendment. Each Member Club shall have that number of votes as otherwise set forth in Section 2.04.01 of these Bylaws as if delegates were voting at the Annual Meeting. Each Member Club must cast its entire vote as a block. The proposed amendment must have been submitted in writing to the District Governor at least 60 days before the date of the Ballot-by-Mail vote, and *provided further* that the District Governor shall have given notice of such proposed amendment to all of the Member Clubs at least 30 days before the date of the Ballot-by-Mail vote. A Member Club who does not cast a vote shall be counted as an affirmative vote, whether affirmative, negative or abstention.

9.01.03 Who May Propose An Amendment to the Bylaws. The District Governor, the District Governor-Elect, the Board, or a Member Club may propose an amendment to these Bylaws. Amendments are to be reviewed by the Board of Directors prior to submission to Member Clubs at the Annual Meeting.

9.02 Effective Date. Amendments to the Bylaws shall be effective on July 1 following the Annual Meeting at which they were adopted, unless otherwise specifically stated in such amendment.

9.03 Amendment Limitation. Unless Illinois or federal law requires it to do so, the District may not adopt any amendment to these Bylaws that conflict with the Constitution, Bylaws, or policies of RI.

ARTICLE TEN
TRANSITION

10.01 Transition Management. The District Governor, upon approval of Member Clubs of the District to incorporate and enact these inaugural Constitution and Bylaws shall appoint the following as the Interim Board of Directors: District Governor, District Governor-Elect, District Governor-Nominee, District Governor-Designee (once selected) and the three immediate Past District Governors. A nominating committee shall be immediately established to select Directors for consideration so that they may take office no later than July 1, 2010. The initial nominating committee shall include the District Governor-Elect and District Governor-Nominee and three members at large, drawn from Member Clubs. Should this Constitution and Bylaws not address an issue related to governance; the board of Directors will follow the pre-existing District Manual of Procedures until new policies can be established. This enables continuity of operations and a smooth transitional experience for the members of the District.

10.02 Typographical and other errors found during the transition in these Bylaws may be changed by the Board of Directors providing they do not change the intention or meaning of the article or section. A final executed copy of the Constitution and Bylaws shall be made readily available to all member clubs, on or before July 1, 2010.

10.03 End of Transition. The transition will end no later than June 30, 2010 and upon the election of board of Directors. At the end of the transition period Article Ten shall no longer be contained in the bylaws.

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